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Market Analysis - December 2, 2004

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In an abbreviated Thanksgiving week last week corn ended two cents down (nearby futures are currently sitting at 192 cents). The uplift we experienced since the bearish USDA report a couple of weeks ago was just covering – absolutely nothing to do with any change in market outlook. Usually we see a post harvest bounce – don't hold your breath – it probably won't happen what with the huge supplies out there. On Monday every single contract through next September posted lows. However don't get too down - this was speculative selling in a very thin market which makes things seem worse than they really are. The record large supply and ideas that export demand won't meet USDA projections create an ending stocks picture that is near two billion bushels. Talk that soybean acres might move to corn next year due to Asian rust (yes, it has recently moved up to South Carolina) also kept a bearish mindset in the traders. Had enough bad news? Sorry - ocean freight rates have reached to new highs which seem to be offsetting any benefit from a plummeting U.S. dollar (it reached 14-year lows on Tuesday). Soybeans had a decent week last week and some traders are actually starting to believe that rust may be a part of life (rust was confirmed in Missouri and South Carolina, bringing the total number of states to with the disease to 8). On Monday soybeans closed on speculative selling in a very thinly traded market (same story as corn) yet the fundamental news that Brazil is 78% planted puts a little more credence behind the move. The finding of rust gave the market a bit of a lift on Tuesday and it was thought that this could spark more buying through December even though, historically, there is a tendency for the bean market to take a hit through now and February. That theory was put to rest the first day of December when beans were sold when reports of lower bids came in from the gulf. If weekly sales numbers don't generate enthusiasm – be prepared for another sell off – despite the prevalence of rust. Wheat was under pressure last week due to a lack of fresh news and technical selling. However, that pressure was absolutely nothing compared to what wheat experienced at all three grain exchanges on Monday- the markets basically collapsed and this was due to fund selling which was due to precipitation in the winter wheat areas, spillover selling from beans and lower than expected export inspections. The ocean freight price rally finally was reflected in the mindset of the wheat traders Wednesday and prices dropped even further. On the bull side – some U. S winter wheat fields are too wet for good crop development but, on the bear side, the national crop rating is the best seen in years.

## **BASIS TABLE**

	CORN	BASIS	SOYBEA	AN BASIS	WHEAT BASIS		
LOCATION	CASH (Dec04)	NEW (Dec04)	CASH (Jan05)	NEW(Nov05)	CASH(Dec04)	NEW(Jul05)	
Western MD	+21	n/a	-42	n/a	-9	n/a	
Central MD	+4	n/a	-13	n/a	-1	-11	
Southern MD	+7	n/a	-33	n/a	-17	-26	
Upper E. Sh	+16	n/a	-23	n/a	n/a	-22	
Lower E. Sh	+26	n/a	-24	n/a	-5	-28	

WEEKLY CROP WEATHER SUMMARY

227.60

237.40

05Aug

05Sep

MARYLAND AGRICULTURAL STATISTICS SERVICE

330.40

336.00

05Jul

05Aug

163.60

165.20

## THE CROP WEATHER WILL RESUME IN APRIL 2005

Grade and Commodity Date		#2 Y Shelled Corn 11/23 11/30			2 Yellow ovbeans	#2 Red Winter Wheat		#3 Barley		
				11/23 11/30		11/23	11/30	11/23	11/30	
Western Md		2.08	2.13	5.03	4.86	3.00	2.95	1.83	1.83	
Central MD		1.88	1.96	5.09	5.15	2.91	2.85	2.15	2.15	
Southern MD		1.88	1.99	5.21	4.95	2.71	2.71			
Upper E. Shore		1.98	2.09	5.26	5.05					
Lower E. Shore		2.13	2.17	5.30	5.04	2.81	2.81	1.85		
Soybean N	Meal	Lov	ver Eastern	Shore		Dealer's Average Cash quotes (\$/ton)				
Date 48% Soybean Meal		11/23		11/30			11/23		11/30 170.00	
				182.00	44% Sov	44% Soybean Meal		)		
TO /U DOJUCA	ii ivicai	170.00	,	102.00	44 / U DU y	bean Mean	181.00	,	170.00	
FORWARD CO		CE-REGIO	ONAL (\$/B)	U) for Hai	rvest delivery	Dealer's Avg Q	uotes	,	170.00	
FORWARD CO Grade and		CE-REGIO #2 Y Sh	ONAL (\$/Bu	U) for Hai	rvest delivery 1 Yellow	Dealer's Avg Q #2 Red V	uotes Vinter			
FORWARD CO Grade and Commodity		CE-REGIO #2 Y Sh Con	ONAL (\$/Bi	U) for Hai #2 So	rvest delivery 1 Yellow vbeans	Dealer's Avg Q #2 Red V Whe	uotes Vinter at	#3 B	arley	
FORWARD CO Grade and Commodity Date		CE-REGIO #2 Y Sh	ONAL (\$/Bu	U) for Hai	rvest delivery 1 Yellow	Dealer's Avg Q #2 Red V	uotes Vinter			
FORWARD CO Grade and Commodity Date Western Md		#2 Y Sh Cor 11/23	ONAL (\$/B) nelled rn 11/30	U) for Hai #2 So: 11/23	Yellow ybeans 11/30	Dealer's Avg Q #2 Red V Whe 11/23	Vuotes Vinter at 11/30	#3 B	arley 11/30	
FORWARD CO Grade and Commodity Date Western Md Central MD		#2 Y Sh Cor 11/23	ONAL (\$/B) nelled rn 11/30	U) for Hai #2 So: 11/23	Yellow ybeans 11/30	Dealer's Avg Q #2 Red V Whe 11/23	Viotes Vinter at 11/30	#3 B	arley 11/30	
FORWARD CO Grade and Commodity Date Western Md Central MD Southern MD		#2 Y Sh Coi 11/23	ONAL (\$/B) nelled rn 11/30	U) for Hai #2 So: 11/23	Yellow ybeans 11/30	#2 Red V Whe 11/23	Vinter at 11/30 2.99	#3 B	arley 11/30 	
FORWARD CO Grade and Commodity Date Western Md Central MD Southern MD Upper E Shore		#2 Y Sh Coi 11/23	ONAL (\$/B) nelled rn 11/30	#2 So 11/23	Yellow ybeans 11/30 	#2 Red V Whe 11/23 3.11 2.96	viotes Vinter at 11/30 2.99 2.84	#3 B: 11/23  1.65	arley 11/30  	
FORWARD CO Grade and Commodity Date Western Md Central MD Southern MD Upper E Shore	NTRACT PRI	#2 Y Sh Cor 11/23   2.13	ONAL (\$/B) nelled rn 11/30	#2 So 11/23	Yellow ybeans 11/30 	#2 Red V Whe 11/23  3.11 2.96 3.00 3.01	11/30  2.99 2.84 2.88	#3 B: 11/23  1.65 1.65	arley 11/30   1.65	
FORWARD CO Grade and Commodity Date Western Md Central MD Southern MD Upper E Shore Lower E Shore	NTRACT PRI	#2 Y Sh Cor 11/23   2.13	ONAL (\$/B) nelled rn 11/30	U) for Hai #2 So: 11/23  	Yellow ybeans 11/30 Nov 30, 2004	#2 Red V Whe 11/23  3.11 2.96 3.00 3.01	2.99 2.84 2.88 2.88	#3 B: 11/23  1.65 1.65	arley 11/30 1.65 1.65	
FORWARD CO Grade and Commodity Date Western Md Central MD Southern MD Upper E Shore Lower E Shore GRAIN FUTUI	NTRACT PRI	#2 Y Sh Cor 11/23   2.13	ONAL (\$/B) nelled rn 11/30	U) for Hai #2 So: 11/23  	Yellow ybeans 11/30 Nov 30, 2004	#2 Red V Whe 11/23  3.11 2.96 3.00 3.01	2.99 2.84 2.88 2.88	#3 B: 11/23  1.65 1.65 1.70 Soybean Me:	arley 11/30 1.65 1.65	
FORWARD CO Grade and Commodity Date Western Md Central MD Southern MD Upper E Shore Lower E Shore GRAIN FUTUI	NTRACT PRI	#2 Y Sh Coi 11/23  2.13	ONAL (\$/B) nelled rn 11/30	#2 So 11/23    1) Settle	rvest delivery 1 Yellow ybeans 11/30 Nov 30, 2004	#2 Red V Whe 11/23 3.11 2.96 3.00 3.01	2.99 2.84 2.88 2.88	#3 B 11/23  1.65 1.65 1.70 Soybean Mea	arley 11/30 1.65 1.65	
FORWARD CO Grade and Commodity  Date  Western Md Central MD Southern MD Upper E Shore Lower E Shore GRAIN FUTUI Cor 04Dec	RES- Chicago	#2 Y Sh Cor 11/23  2.13 Board of T	ONAL (\$/B) nelled rn 11/30	#2 So 11/23   1) Settle	Yellow ybeans 11/30	#2 Red V Whe 11/23 3.11 2.96 3.00 3.01 4 heat	2.99 2.84 2.88 2.88 0 04Dec 0 05Jan	#3 B 11/23  1.65 1.65 1.70 Soybean Mea	arley 11/30 1.65 1.65 154.20	

553.40

553 40

05Dec

06Mar

05Sep

05Dec

HAY AND S		<b>.</b>	• • • • • • • • • • • • • • • • • • • •							
New Holland	, PA - \$/ton								C.	C F H
<b>Alfalfa</b> 80.00-182.	00	Mixed H 55.00-205		<b>Timothy</b> 110.00-200			hardgrass 00-210.00		<b>Straw</b> 00-185.00	<b>Corn Fodder</b> 42.00-65.00
Westminister	, MD - \$/ba	le - Nov 30	), 2004 - 2	250 Lots						
Alfalfa	Alfalfa	Mix				thy Mix	Grass	Mix	Straw	Mulch
1.90-5.70	1.25-5			-4.40	1.20	0-3.20	1.00-5	.00	1.25-4.00	.10-1.10
POULTRY (	Grade A) - \	Week End								
				t Week		Week A			th Ago	Year Ago
NY Wtd Avg.				.96		63.08			1.64	61.13
12 City Comp			68			68.36		68	3.01	66.02
LAMBS - We										
30- 60 lbs		0-140.00	100-120			00-117.50	Sheep			
70- 90 lbs		0-132.50.		lbs & up		00-100.00	Goo			-120.00
TERMINAL N					DI				minster, MD - N	
Base Price Rai	0 ( /	Carcas		Sows (1-3)		U.S		21:		to 47.50
a.m	•	Base 185	b lb Hog	300-449 lbs	_	Sow	'S		456 lbs 48.	75-52.50
Iowa, Minn		66.25-	<b>92 50</b>	N/A						
Eastern Cornt	alt	65.75-		N/A	М	illehoro l	DE Market Ho	TG _ (\$/0X	wt) Nevt S	Sale Dec 21, 2004
			79.00	IN/A	IVI	ilisbui o, i	DE Market 1108	35 - (5/6)	vi) - Nexi S	Sale Dec 21, 2004
FEEDER PIC	GS - (\$/cwt)	-				1				
Gumboro, DI	E -					New Ho	lland, PA - Dec	02, 200	4	
Head:	Trend:					Head: 4	05 Trend:	All Slau	ıghter	
	Nevt	Sale Dec 2	1 2004							
CATTIFIE				ntile Exchange		HOCe 1	EAN EUTIO	EC CL:	ago Mercantile	Evohenge
(\$/cwt) - Nov	VE FUTUR 30, 2004	ES-Unicag	go Mierca	ntile Exchange	•	(\$/cwt) -	Nov 30, 2004	ES-Cnic	ago Mercantile	Exchange
, ,				0.5.53		` /			3.5.05	<b>72.2</b> 0
Nov04	85.00		Apr05	85.73		Dec04	79.08		May05	73.30
Dec04	90.33		Jun05	81.40		Feb05	77.15		Jun05	75.58
Feb05	89.55		Aug05	80.88		Apr05	74.40		Jul05	71.90
STOCKER-F	EEDER CA	ATTLE -	(\$/cwt)							
Winchester,			(\$10110)			V	Vestminster, M	D - Nov	29, 2004	
Steers		0- 400 lbs		100.00-109.	00		teers (M&L)		200- 300 lbs	71.00- 90.00
Steers		0- 500 lbs		98.00-116.		5	iccis (MCL)		500 lbs	82.00- 96.00
									900 lbs	
		0- 600 lbs 0- 700 lbs		100.25-114. 89.00-104.		ш	eifers (M&L)		200- 300 lbs	77.00- 79.00 71.00-126.00
						11	eners (wi&L)			70.00- 96.00
		0- 800 lbs		91.00-103.					400- 500 lbs	
TT 10		0- 900 lbs		95.00-100.					600 lbs	67.00- 77.50
Heifers		0- 400 lbs		91.00-114.			ols Bulls		90-100 lbs	85.00-115.00
		0- 500 lbs		92.00-104.		R	eturned to feed	l	105-115 lbs	95.00-135.00
		0- 600 lbs		85.00-103.					120 lbs	115.00-135.00
		0- 700 lbs		81.00- 96.						
	70	0- 800 lbs		80.00- 89.	50					
Lancaster, N	ew Holland	& Vintage	e - Week I	Ending - Dec 0	4, 20	004				
Bull, Holstein		-120 lbs		167.00-197.			Plainer		90-120 lbs	130.00-150.00
Heifers, Hols		-120 lbs		410.00-535.	00		Plainer		90-120 lbs	220.00-390.00
SLAUGHTE	R CATTLE	(\$/cwt)								
Westminister	, MD - No	v 30, 2004								
Fed Steers						F	ed Heifers			
H-Ch				82.50-85.00		C	h			83.75- 87.00
L-Ch				78.25-82.00		L	-Ch			79.75- 83.00
Select				74.00-78.00		S	elect			66.00- 67.50
Cows						C	alves			
High Dressing	5			49.00-52.25			laughter Calves			35.00- 80.00
Breakers	-			45.00-48.50			ols Heifers	#1		260.00-380.00
Boners				41.00-44.25						
Weak & Thin				38.00-Down						
	heelloH we	& Vintage	- Week l	Ending - Dec 0	4. 20	04				
Steers, Choice		a vintage		55-1490 lbs	., 20	83.10-86.	75	\$2 - \$3	5.50 higher	
Heifers, Choice				90-1350 lbs		83.50-86.			undertone	
Cows, Breake		Lean				50.50-51.		_	undertone	
Bulls, YG-1	1		12	30-2460 lbs		57.75-68.		None		
, - 0 1										

For more information about this report, call 410-841-5740 or write:

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